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Message Text

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INFO OCT-01 EUR-12 EA-06 NEA-09 IO-10 ISO-00 AGR-05 CEA-01

CIAE-00 COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05

L-02 LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15

STR-04 TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 FEAE-00

OMB-01 /116 W
---------- 031235
R 241708Z APR 75
FM USMISSION GENEVA
TO SECSTATE WASHDC 2358
INFO USEC BRUSSELS 4491
AMEMBASSY BELGRADE
AMEMBASSY BONN
AMEMBASSY CAIRO
AMEMBASSY CANBERRA
AMEMBASSY ISLAMABAD
AMEMBASSY ISTANBUL
AMEMBASSY LONDON
AMEMBASSY NEW DELHI
AMEMBASSY OTTAWA
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY SOFIA
AMEMBASSY TOKYO
AMEMBASSY WARSAW
AMEMBASSY HONG KONG
AMEMBASSY SEOUL
AMEMBASSY BUCHAREST

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WARSAW PASS MICHAEL B SMITH TEXTILE DELEGATION

E.O. 11652: NA
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TAGS: GATT ETRD

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SUBJ: GATT TEXTILES COMMITTEE (TC) MEETING APRIL 22

1. SUMMARY: TEXTILE COMMITTEE COVERED AGENDA IN ONE TWO-SESSION DAY APRIL 22. TC AGREED: A. CIRCULATION SECRETARIAT-DRAFTED QUESTIONNAIRE TO PARTICIPANTS DESIGNED PROVIDE INFO FOR UPDATING STUDY ON ADJUSTMENT ASSISTANCE MEASURES NOW IN FORCE IN PARTICIPATING COUNTRIES; B) SEATING OF TURKEY REP ON TSB FOR LAST TRIMESTER OF TRIPARTITE SEAT FOR 1975; C) APPROVAL BY ACCLAMATION EXTENSION TSB CHAIRMAN WURTH'S APPOINTMENT FOR ADDITIONAL TWO YEARS; D) INCONCLUSIVELY DISCUSSED BULGARIAN MFA ACCESSION APPLICATION; AND, E) HEARD STRONG PRONOUNCEMENTS ON QUESTION PARTICIPANTS PERFORMANCE UNDER MFA ARTICLE 2 AS WELL AS AUSTRALIAN TARIFF QUOTA ACTIONS. DISCUSSION LATTER TWO POINTS WAS CENTERPIECE OF FORMAL SESSIONS AND CORRIDOR CONVERSATIONS.

2. DISCUSSION OF ADJUSTMENT ASSISTANCE QUESTIONNAIRE WAS BRIEF AND PROFORMA WITH FEW DELS, NOTABLY JAPAN AND EC, POINTING OUT DIFFICULTIES IN SUPPLYING SOME DATA REQUESTED. GENERAL FEELING WAS THAT PARTICIPANTS WOULD "GIVE BEST EFFORT" TO REPLY AND MATTER WAS LEFT AT THAT. US DEL DID NOT COMMENT ON THIS ISSUE SINCE TO HAVE DONE SO COULD HAVE PRODUCED ANOTHER STERILE DEBATE ON QUESTION WHETHER OR NOT IMPORTING PARTICIPANTS OBLIGATED UNDER MFA EFFECT "STRUCTURAL ADJUSTMENTS". THROUGHOUT LIFE LTA, US DEALT EFFECTIVELY WITH THIS QUESTION BY ROUTINE REPORTING AND AVOIDANCE CONFRONTATIONS WITH DEVELOPING EXPORTING COUNTRY PARTICIPANTS WHO REGULARLY RAISE QUESTION IN THEOLOGICAL SENSE.

3. GATT DIRGEN LONG AND SECRETARIAT HAD DONE NECESSARY GROUND WORK ON SELECTION REP FOR LAST TRIMESTER TRIPARTITE SEAT. TC MEMBERS WERE RELIEVED THAT TURKEY HAD AGREED SIT, THUS DEFERRING DEBATABLE ISSUE EASTERN BLOC REPRESENTATION UNTIL END OF THIS YEAR WHEN TSB 1976 MEMBERSHIP QUESTION WILL ARISE. US REP JOINED OTHER PARTICIPANTS IN WELCOMING TURKEY TO TSB SEAT.

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4. QUESTION EXTENDING TENURE TSB CHAIRMAN WURTH, RAISED BY YUGOSLAVIA REP TOMIC (BY PRE-ARRANGEMENT WITH LONG AND OTHER DELS), PRODUCED FIFTEEN LAUDATORY SUPPORTING STATEMENTS (INCLUDING US REP'S). AFTER LAST STATEMENT SUGGESTING APPROVAL BY ACCLAMATION AND LONG'S "SO BE IT", EC REP (MEYNELL) ASKED FOR FLOOR AND STATED THAT "EC DIDN'T FIND IT DIFFICULT TO GO ALONG WITH WURTH'S EXTENSION." THIS SOUR NOTE HUNG IN

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AIR FOR SOME MOMENTS WHILE MEYNELL AND EC DEL WERE
CHILLED BY LONG'S FROSTIEST STARE.

5. CHAIRMAN LONG HAD INDICATED TO "RESTRICTED GROUP"
REPS DAY BEFORE TC MEETING THAT HE HOPED TO COMPLETE
TC WORK IN ONE DAY AND, PRESUMABLY, FOR THIS REASON
HAD NOT INTENDED ASK FOR OPENING STATEMENTS BY DELS.
IN US REP'S SUBSEQUENT CONSULTATIONS WITH JAPANESE AND
CANADIAN DELS, CONCLUSION WAS REACHED THAT IN ORDER
TO INSURE THAT QUESTIONS OF AUSTRALIAN TQ ACTIONS AND
EC INACTION ON ARTICLE 2 WOULD BE CENTRAL FOCUS OF
THIS SESSION, TWO MAJOR PARTICIPANTS OUGHT TO MAKE AN
OPENING STATEMENT. SINCE CANADA DELS INSTRUCTIONS
WERE COMPLETELY COMPATIBLE WITH US DELS VIEWS IT WAS
AGREED THAT US DEL AND CANADA DEL WOULD MAKE OPENING
STATEMENTS. LONG WAS APPROACHED AND AGREED RECOGNIZE
US AND CANADA AT OUTSET OF SESSION.

6. BOTH US AND CANADIAN STATEMENTS (WITHOUT MENTION
OF EITHER EC OR AUSTRALIA) MADE FOLLOWING POINTS:
A) RECOGNIZED FACT THAT WORLD-WIDE TEXTILE RECESSION
EXISTED AND THAT PROTECTIONIST PRESSURES WERE ON THE
RISE; B) NOTED THAT THE BENEFITS OF ARTICLE 2 WERE THE
MAIN INDUCEMENT FOR DEVELOPING EXPORTING COUNTRY PARTICI-
PATION IN THE ARRANGEMENT; C) NOTED IN SOME DETAIL THE
SPECIFIC PROVISIONS OF ARTICLE 2 PARA 2 (II) OF THE
ARRANGEMENT; C) POINTED OUT THAT NON-PERFORMANCE UNDER
ARTICLE 2 BY IMPORTING COUNTRIES COULD BE FATAL TO THE
ARRANGEMENT; D) COMPARED THE PERFORMANCE (AS OF
MARCH 31) OF OTHER UNNAMED IMPORTING COUNTRIES INVIDIOUSLY
WITH THAT OF US (AND CANADA); NOTED THAT ARRANGEMENT
WAS LIKE A MARRIAGE CONTRACT, I.E., VALID IN SICKNESS
OR HEALTH FOR BETTER OR WORSE AND THAT IT PROVIDED NO
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SPECIAL EXEMPTION FOR TRANSIENT ECONOMIC CONDITIONS;
AND, FINALLY F) THAT IF THE ARRANGEMENT FAILED TO ACHIEVE
ITS GOALS THERE WOULD BE LITTLE INTERNATIONAL CONFID-
ENCE THAT SOLUTION TO THE "SAFEGUARDS" ISSUE IN THE MTN
COULD BE ACHIEVED.

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H-02 INR-07 INT-05 L-02 LAB-04 NSAE-00 NSC-05 PA-01

AID-05 CIEP-01 SS-15 STR-04 TAR-01 TRSE-00 USIA-06

PRS-01 SP-02 FEAE-00 OMB-01 AF-06 ARA-06 EA-06 EUR-12

NEA-09 ISO-00 /118 W
---------- 031522
R 241708Z APR 75
FM USMISSION GENEVA
TO SECSTATE WASHDC 2359
INFO USEC BRUSSELS 4492
AMEMBASSY BELGRADE
AMEMBASSY BONN
AMEMBASSY CAIRO
AMEMBASSY CANBERRA
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7. US AND CANADIAN STATEMENTS WERE WELL RECEIVED AND
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SET STAGE FOR AFTERNOON DISCUSSION OF EC ARTICLE 2
PERFORMANCE. JAPAN UNDER "OTHER BUSINESS" DIRECTLY
RAISED ISSUE OF EC AND ARTICLE 2. JAPAN PRESENTATION
WAS MODERATE IN TONE. HOWEVER, JAPAN WAS FOLLOWED BY

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PAKISTAN REP WHO IN MOST ELOQUENT AND BITING TERMS
EXPOSED BEFORE THE TC A BLOW BY BLOW ACCOUNT OF THE
EC-PAKISTAN BILATERAL NEGOTIATIONS LEADING TO A MORE
OR LESS OPEN IMPLICATION THAT THE EC WAS ACTING IN BAD
FAITH AND HAD NO INTENTION OF HONORING ITS OBLIGATIONS
UNDER ARTICLE 2. BEFORE THE PAK REP HAD FINISHED AT
LEAST TEN EXPORTING COUNTRY FLAGS WERE UP (PLUS EC'S)
AND THE ATTACK WAS ON. CHAIRMAN THEN RECOGNIZED EC REP,
WHO OBVIOUSLY FLUSTERED TOLD CHAIRMAN THAT PAK STATEMENT
WAS TOTALLY UNEXPECTED AND WAS ESSENTIALLY COMPLAINT
THAT SHOULD HAVE FIRST BEEN MADE TO TSB, THAT SOME OF
THE "NUMBERS" MENTIONED IN THE PAK STATEMENT "WERE IN
ERROR" AND THAT EC RESERVED RIGHT TO REPLY IN WRITING
(TO BE APPENDED TO MINUTES OF TC MEETING) TO OTHER
"MISSTATEMENTS" IN PAK PRESENTATION. THIS LAME
RESPONSE, DID NOT DETER EXPORTING COUNTRIES (KOREA,
EGYPT, BRAZIL, MEXICO, POLAND, ROMANIA, INDIA,
YUGOSLAVIA AND OTHERS) FROM ECHOING THEIR CONCERN OVER
EC PERFORMANCE UNDER ARTICLE 2. WOULD ALSO NOTE
THAT PAKISTAN, EGYPT AND INDIA ALL MENTIONED US PERFOR-
MANCE AS EXEMPLARY.

8. US DEL JOINED BY EC DEL INFORMED TC THAT US AND
EC HAD REQUESTED CONSULTATIONS WITH AUSTRALIA UNDER
ARTICLE 9, PARA 2 OF MFA. US REP SAID US DEL WOULD
NOT ENTER SUBSTANTIVE DISCUSSION AUSTRALIAN ACTION IN
TC, THAT WE WOULD NOT WISH PREJUDICE IN ANY WAY EITHER
US OR AUSTRALIAN POSITIONS IN CONSULTATIONS WE HAD
REQUESTED. JAPAN DEL INFORMED TC THAT JAPAN WOULD
ALSO BE REQUESTING CONSULTATIONS WITH AUSTRALIA
"WITHIN NEXT FEW DAYS". FOREGOING INTERVENTIONS
PRODUCED LENGTHY AND DETAILED STATEMENT FROM AUS DEL
WHICH CONTAINED NOTHING NEW. AUSTRALIA'S TQ ACTIONS
WERE JUSTIFIED SINCE MFA EXCLUDES "TARIFF QUESTIONS",
AUSTRALIA WAS CONSIDERING, FOR REMAINING TEXTILE PRODUCTS
NOT ALREADY UNDER TQ, UTILIZING ARTICLE 3 OR 4 OF MFA;
THAT ITS GATT ARTICLE XIX ACTION ON SOME TEXTILES WAS
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FULLY CONSONANT WITH GATT RULES AND, FINALLY, THAT
AUSTRALIA WAS ALWAYS READY TO CONSULT WITH ITS TRADING
PARTNERS, (WHETHER OR NOT UNDER MFA ARTICLE 9 WAS NOT
STATED). AUS DEL SUBSEQUENTLY THANKED US REP FOR
"MODERATE" STATEMENT WHICH TENDED REDUCE SCOPE DIS-
CUSSION PROBLEM IN THIS MEETING TC.

9. BULGARIAN LETTER OF APPLICATION FOR ACCESSION MFA
WAS NOT ACCEPTED THIS SESSION DUE EC AND SCANDINAVIAN
INSISTENCE ON INCLUSION LANGUAGE PRESERVING EQUITY
BETWEEN BULGARIA ACCESSION MFA AND REQUIREMENTS IN

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PROTOCOLS OF GATT ACCESSION OTHER EASTERN EUROPEAN COUNTRIES. AFTER EC AND SCANDINAVIAN STATEMENTS, (THE ESOTERICS OF WHICH WERE APPARENTLY BEYOND THE BULGARIAN "OBSERVER'S" COMPREHENSION) AND IN THE ABSENCE OF FURTHER STATEMENTS LONG HAD ADJOURNED THE MEETING, THE BULGARIAN OBSERVER INSISTED ON THE FLOOR AGAIN FOR A QUESTION: ARE WE IN OR OUT? LONG SUGGESTED THAT, AS IS CUSTOMARY IN SUCH CASES, BULGARIA WOULD

HAVE TO DISCUSS THE PROBLEM BILATERALLY WITH EC AND SCANS AND GENTLY OBSERVED THAT PENDING SUCH CONSULTATIONS "BULGARIA WAS NOT IN".

19. COMMENT: US OBJECTIVES OF FOCUSSING ATTENTION ON THREATS TO MFA POSED BY AUSTRALIA'S ACTION AND EC INACTION (AND IN PUTTING MAXIMUM INTERNATIONAL PRESSURE ON BOTH TO HONOR MFA OBLIGATIONS) WERE ACHIEVED. NEXT ROUND IN THIS EFFORT WILL BEGIN IN TSB'S SESSION BEGINNING APRIL 29 WHEN MARCH 31 (ARTICLE 2) STATUS REPORTS WILL COME UNDER ACTIVE CONSIDERATION. FROM US REPS CURRENT ASSESSMENT TSB MEMBER ATTITUDES, EC WILL AGAIN BE ISOLATED IN ITS INTERPRETATION OF ITS OBLIGATIONS UNDER ART. 2.

11. COPIES STATEMENTS BY US REP, CANADIAN REP AND PAK REP AIRPOUCHED EB/FTD UNDER REFERENCE THIS MESSAGE.
DALE

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Draft Date: 24 APR 1975
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Disposition Approved on Date:
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Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
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Film Number: D750144-0619
From: GENEVA
Handling Restrictions: n/a
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Legacy Key: link1975/newtext/t19750421/aaaaatqv.tel
Line Count: 304
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